



Tourism and real estate — a virtuous marriage?

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Tourism is only a good thing if it benefits local businesses and residents according to comments at a conference organised by Exame.

Top figures from Portugal's tourism and real estate sector argued that it was important to preserve the authenticity of tourist destinations and provide genuinely Portuguese products.

Both the boom in tourism and real estate investment have been fundamental in attracting Direct Foreign Investment (DFI) and regenerating city centres and refurbishing existing property product.

But a balance needed to be struck between the need for tourists and the needs of local residents living in areas popular with tourists.

The conference, which ran on Monday 13 November at the headquarters of the electricity and energy provider EDP in Lisbon, noted that investment in property had been "remarkable" and created in Lisbon a city that was "more capable for those living, working and visiting it."

But Carlos Abade, a director for the Portuguese tourism bureau Turismo de Portugal added that an increase in the quality of cities only worked if it was "good for locals and residents."

José Roquette asked "why does a quality historic centre of a city have to be cheap?" The CEO of the Pestana Group of hotels and historic inns (pousadas) argued that local residents living in historic neighbourhoods had not been forced to leave because of tourists. "No one wanted to live in the Baixa" he said.

Held up as a case study for urban requalification and investment, Eastbanc Portugal invested around €50 million in purchasing and doing up scores of properties in the Principe Real district of Lisbon.

The group's CEO in Portugal said the goal had been to develop a Portuguese product that would attract the Portuguese, one that wasn't very expensive and with international niche concepts.

"There hadn't been any neighbourhood in Lisbon specialising in Portuguese product said Catarina Lopes, pointing out the "democratisation" of that part of the city. The company is now working on the rehabilitation and revitalisation of Cascais's shopping and business district.

André Jordan, the chairman of the André Jordan Group linked to projects like the flagship developments of Quinta do Lago and Vilamoura in the Algarve said that there was a lack of made-in-Portugal shopping centre quality product.

"In Avenida da Liberdade (Lisbon's luxury shopping avenue) all the shops are foreign, representing a false export since all the money generated there flows out of the country."

André Jordan also said that while the Golden Visa programme had attracted €6Bn in six years and was a decisive factor in attracting overseas capital to Portugal and getting foreign companies to set up in Portugal, but was a drop in the ocean in terms of what was required.

Instead, tourism had most contributed most to the country's economy by creating 300,000 jobs and attracting €11Bn last year.

"If it wasn't for tourism we would be talking about a fall of 1% in GDP rather than growth of 2.6%" added Carlos Abade.